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Hearing Date: December 16, 2009 at 10:00 a.m.

Attorneys for the Joint Administrators of Lehman Brothers  
International (Europe) (in administration)

UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK

In re

In re LEHMAN BROTHERS HOLDING INC., et al.,  
  
Debtors.

Chapter 11

08-13555 (JMP)

(Jointly Administered)

**LIMITED RESPONSE OF LEHMAN BROTHERS  
INTERNATIONAL (EUROPE) (IN ADMINISTRATION) TO DEBTORS'  
MOTION FOR AN ORDER PURSUANT TO RULE 9019 OF THE FEDERAL  
RULES OF BANKRUPTCY PROCEDURE APPROVING SETTLEMENTS WITH  
BAMBURGH INVESTMENTS (UK) LTD AND CORFE INVESTMENTS (UK) LTD**

Lehman Brothers International (Europe) (in administration) ("LBIE"), acting by  
and through its Joint Administrators,<sup>1</sup> hereby responds to the Debtors' Motion Pursuant to Rule  
9019 of the Federal Rules of Bankruptcy Procedure Approving Settlements with Bamburgh

<sup>1</sup> On September 15, 2008, LBIE entered English administration proceedings pursuant to the English Insolvency Act 1986. By orders of the English High Court of Justice, Anthony Victor Lomas, Steven Anthony Pearson, Dan Yoram Schwarzmann, Michael John Andrew Jervis, and Derek Anthony Howell were appointed as the Joint Administrators of LBIE.

Investments (UK) Ltd and Corfe Investments (UK) Ltd (Docket No. 5957) (the “Settlement Motion”), and in support thereof states as follows:<sup>2</sup>

### **RESPONSE**

1. LBIE does not object in principle to the relief the Debtors seek in the Settlement Motion. LBIE too does not want Alnwick, Bamburgh or Corfe to be struck off under English law.

2. As discussed in the Settlement Motion, AB&C “were formed to carry out structured bond trades executed by Lehman’s European Strategic Transaction Group.” (Settlement Motion, ¶ 1.) Indeed, LBIE functioned as an intermediary with respect to certain of the transactions in which AB&C were involved with external third parties. While the Debtors are correct that all transactions with external third parties terminated and settled prior to September 15, 2008 (*id.*), according to LBIE’s books and records, there are balances as between LBIE and AB&C as a result of these transactions.

3. LBIE has not been a party to the discussions regarding the proposed settlement and nowhere is LBIE or its role in the transactions mentioned in the Settlement Motion. LBIE continues to work with expediency to reconcile its books and records with respect to this matter, and intends to fully cooperate with the Debtors to resolve any interests LBIE may have with respect to AB&C. The Joint Administrators have communicated this intention to the Debtors.

4. Nonetheless, in the meantime, LBIE is not in a position to state definitively today that the Settlement Motion accurately reflects all of the parties in interest or all of the assets and liabilities of AB&C. In light of the deadline for objections to the Settlement

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<sup>2</sup> Capitalized terms not otherwise defined herein shall have the meaning ascribed to them in the Settlement Motion.

Motion, LBIE submits this limited response to reserve any and all rights LBIE has or may have that could be affected by the relief the Debtors seek here.

### **CONCLUSION**

WHEREFORE, for the reasons set forth above, LBIE respectfully requests that its rights be safeguarded in the manner set forth herein and grant such other or further relief as is just and proper.

Dated: December 11, 2009  
New York, New York

/s/ Martin Flics  
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